

## Message Text

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PAGE 01 NEW DE 11231 091337Z  
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 L-03 PA-02 PRS-01  
( ISO ) W

-----061150 100100Z /45

R 091238Z AUG 77  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 5291

UNCLAS NEW DELHI 11231

DEPT. PASS TO AID AND LABOR

E.O. 11652: N/A  
TAGS: ELAB, IN  
SUBJECT: MAHARASHTRA ASSEMBLY PASSES JOB GUARANTEE BILL

FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA AND MADRAS FROM  
BOMBAY AUG 8, 1977 IS REPEATED TO YOU:

BOMBAY 1902

E.O. 11652: N/A  
TAGS: ELAB, IN  
SUBJ: MAHARASHTRA ASSEMBLY PASSES JOB GUARANTEE BILL

1. THE MAHARASHTRA STATE ASSEMBLY ON AUGUST 4, 1977 PASSED  
THE HISTORIC MAHARASHTRA EMPLOYMENT GUARANTEE BILL (MEGB)  
PROVIDING A GUARANTEE OF EMPLOYMENT WITHIN 15 DAYS OF DEMAND  
TO ALL ABLE-BODIED PEOPLE ABOVE AGE OF 18 IN THE RURAL AREAS  
OF THE STATE. THE BILL PROVIDES FOR RS.3 AS THE MINIMUM WAGE  
AND RE. 1. AS UNEMPLOYMENT ALLOWANCE PER DAY SHOULD THE STATE

GOVERNMENT FAIL TO PROVIDE A JOB UNDER THE MEGB.  
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2. COMMENT: THE MEGB, A MODEL SCHEME, COMMENDED BY THE  
INTERNATIONAL LABOR ORGANIZATION, IS SIGNIFICANT IN MANY  
WAYS. FIRST, THE BILL IS AIMED AT FULFILLING THE PROVISIONS  
OF ARTICLE 41 OF THE CONSTITUTION OF INDIA, WHICH PROVIDED  
FOR "RIGHT TO WORK". SECOND, MAHARASHTRA BECAME THE FIRST  
STATE TO INTRODUCE THE SCHEME IN THE COUNTRY, AND, LOCAL

SOURCES SAY, IN THE NON-COMMUNIST WORLD. ALTHOUGH SOME ELEMENTS OF THE ACT WERE INTRODUCED IN THE STATE ABOUT THREE YEARS AGO, THE PRESENT LEGISLATION GIVES IT "STATUTORY" SANCTION. THIRD, MEGB ALSO PROVIDES FOR AN UNEMPLOYMENT DOLE. WHILE THE EARLIER "UNSANCTIONED" RURAL WORK PROGRAM PROVIDED FOR RS.500 MILLION ANNUALLY TO GENERATE 130 MILLION MANDAYS IN THE RURAL AREAS, YEARLY COST TO THE STATE UNDER THE MEGB IS: ESTIMATED TO BE RS.750 MILLION TO PROVIDE 180 MILLION MANDAYS OF EMPLOYMENT. SINCE ONLY A PORTION OF THE EXPENDITURE FOR THE SCHEME IS CURRENTLY MET FROM STATE'S INCOME FROM PROFESSIONAL TAX (OUT OF AN ESTIMATED INCOME OF RS. 510 MILLION, IN 1976-77 GOM WERE ABLE TO COLLECT ONLY RS.170 MILLION TAX) THE POSSIBILITY OF INCREASING THE CURRENT MAXIMUM LIMIT OF PROFESSIONAL TAX FROM RS. 240 TO ABOUT RS.100 PER ANNUM (FOR THE HIGHER INCOME BRACKET) CANNOT BE RULED OUT. STATEPLANNING MINISTER N.M. TIDKE REPORTEDLY DENIED ANY "POLITICAL MOTIVE"

BEHIND THE BILL AS ALLEGED BY SOME OPPOSITION MEMBERS. A CONGRESS MEMBER, V.K. TEMBE REPORTEDLY SAID THAT THE BILL IS AIMED AT "REMOVING POVERTY" AND THAT "THE CENTRAL GOVERNMENT SHOULD NOW FOLLOW SUIT SHOULD IT WISH TO ERADICATE UNEMPLOYMENT IN 10 YEARS". ALTHOUGH PRIME MINISTER DESAI DID NOT ENDORSE MEGB AT A RECENT PRESS CONFERENCE IN PUNE AND STATED THAT SEVERAL OTHER EMPLOYMENT SCHEMES ARE UNDER CONSIDERATION, WE BELIEVE THAT MEGB SCHEME, PERHAPS IN A MODIFIED FORM, MAY FIND A PLACE IN GOI'S EMPLOYMENT GENERATION

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PROGRAMS. A COPY OF THE ACT IS BEING OBTAINED AND AIRPOUCHED.  
SIGNED COURTNEY  
UNQUOTE  
GOHEEN

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NNN

## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Note:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Subject:** MAHARASHTRA ASSEMBLY PASSES JOB GUARANTEE BILL FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA AND MADRAS FROM BOMBAY AUG 8, 1977 IS REPEATED TO YOU  
**TAGS:** ELAB, IN  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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